

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : CRIMINAL NO.: 04-  
v. : DATE FILED: December 2, 2004  
FRANCIS D. McCRACKEN : VIOLATION:  
26 U.S.C. § 7201 (Tax evasion – 1  
Count).  
:  
:

I N F O R M A T I O N

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

Introduction

1. Defendant FRANCIS D. McCRACKEN was employed as the president of Reading Broadcast, Inc. (“RBI”).
2. Person No. 1, a person known to the United States Attorney, was employed as the “director of special projects” at RBI, handling primarily legal, contract, and regulatory affairs.
3. RBI was a Pennsylvania corporation which owned a broadcast television station known as “WTVE” and “TV-51” which was located in and broadcast from Reading, Pennsylvania. Between approximately late-2001 and approximately June

10, 2004, RBI paid defendant FRANCIS D. McCracken and Person No. 1 commissions totaling approximately \$603,287.77 as well as salary for their work.

The Tax Evasion Scheme

4. Between in or about September 2001 and the date of this information, in the Eastern District of Pennsylvania and elsewhere, defendant

FRANCIS D. McCracken,

a resident of Reading, Pennsylvania, and Person No. 1 wilfully attempted to evade and defeat a large part of the tax due and owing by them to the United States of America for the calendar years 2001 through 2003, through various means. As a result of this course of conduct, McCracken and Person No. 1 evaded the payment of between \$80,000 and \$200,000 in federal income taxes. As part of this attempt to evade federal income taxes, McCracken did the following:

a. Beginning in approximately September 2001, McCracken caused RBI to pay him and Person No. 1 commissions on the sales of broadcast time for programming by employees of RBI.

b. In or about mid-2001, with the assistance of Person No. 1, McCracken established a limited liability company called "Framco LLC." At approximately the same time, Person No. 1 also established a limited liability company known to the United States Attorney ("Company No. 1"). Both corporations were merely shell corporations with little or no operations and were created, in part, to conceal from

the Internal Revenue Service the fact that McCracken and Person No. 1 were receiving commissions from RBI.

c. In or about November 2001, McCracken instructed RBI's bookkeeper to stop paying all commissions to him and Person No. 1 directly and to start paying them to their companies, Framco LLC and Company No. 1, respectively. RBI's bookkeeper did as McCracken instructed and, as a result, no federal income or other taxes were withheld from McCracken's or Person No. 1's commissions for the years 2001, 2002, and 2003 and the commissions were not reported on McCracken's or Person No. 1's Internal Revenue Service statement of wages, IRS Form W-2, for those years. McCracken's and Person No. 1's intention in making these instructions to RBI's bookkeeper were to avoid paying federal and other income taxes on the commissions.

d. Between approximately November 2001 and June 2004, McCracken and Person No. 1 caused RBI to pay them approximately \$603,287.77 in commissions which McCracken and Person No. 1 caused to be diverted to Framco LLC and Company No. 1, respectively, and which McCracken and Person No. 1 did not timely report on their federal or state income tax returns for the years 2001, 2002, and 2003 and did not timely pay any of the tax due on these commissions.

e. McCracken failed to file his income tax returns timely, filing his tax returns for the years 2001 and 2002 several years late in June 2004, only after learning

that he was the subject of a criminal investigation for evading the payment of taxes on the commissions. McCRACKEN failed to pay taxes when he filed these returns.

In violation of Title 26, United States Code, Section 7201.

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PATRICK L. MEEHAN  
United States Attorney